HISTORY OF THE FARM SECURITY ADMINISTRATION

I. THE PROBLEM - 1933:

One million farm families--approximately five million people--were on relief in 1933.

In earlier years, when land wore out or farms were foreclosed, the farmer could do two things. He could move west and start over again on new land; or he could go to the city and get a factory job. But in the last depression, both of these roads were closed: the country had no new frontiers, no more free land; the factories were closed down and millions of experienced city workers were out of a job. The Nation had to find a new way to handle its rural relief problem. The depression was not the sole cause of the farmers' troubles; it merely made their need more acute. The roots of the trouble ran back many years. They were:

A. Over millions of acres, the land was wearing thin. Thousands of families were trying to scratch a living out of land that was not fit for farming. Others were farming acreages too small to yield a decent living.

B. Poor farming methods intensified the problem. The old one-crop system no longer provided cash, because prices were too low, and it was rapidly wearing out the land. Many families knew little of sound farming methods and had never even kept accounts.

C. The old system of farm credit was breaking down. "Character loans", with long-term credit, which country bankers used to make, were prohibited by new banking laws that required security for every loan. Landlords who had formerly financed their tenants were too broke to carry them any longer. During good years, many farmers had gone in debt to machinery companies, banks and private lending agencies. Under depression conditions, they could see no prospect of paying these debts.

D. Farm tenancy was increasing rapidly. Every year, more than 40,000 farm owners were losing their land and becoming tenants. Since one-third of all the tenants moved every year, they had little reason to protect the land or build up the property.

E. Farm housing conditions were growing worse. Many rural families were living in shacks as bad as the worst city slums. Along with poor housing, went ill health and malnutrition. There was no money for medical care, and no money to provide better diets.

II. FIRST STEPS TO MEET THE PROBLEM:

A. State Emergency Relief Administrations:

In the early days of the depression, State Relief Administrations made grants of money or food to needy farm families, just as they did to the city unemployed.

The idea of "rehabilitation" first developed in Alabama and Texas. State relief officials realized that handing out straight cash relief was upsetting farm work and not going to solve the problem. They decided to lend money to families, to finance the purchase of tools, seed and livestock which they needed to earn their own living.

The idea spread rapidly to other states. Their programs differed, but in most cases repayments were made in cash, work, or farm products; and the state held title to the family's goods until repayment was completed.

Direct relief grants were continued to farm families in drought areas, where rehabilitation loans were not practicable; it obviously was not sensible to loan money for farming, when there was no possibility of making a crop.

B. The Federal Emergency Relief Administration:

1. Rehabilitation:

In April, 1934, the Federal Government allotted relief money for the rural rehabilitation program, operating through the State Emergency Relief Administrators. The program was highly decentralized, and varied considerably from state to state. In most states Rural Rehabilitation Corporations were set up to handle this work. These corporations were financed by allocations totalling about $70,000,000 from the Federal Government.

By March 1, 1935, more than 87,000 families had received loans from the state corporations. In that month, rehabilitation was extended to many families who previously had received direct relief; and by April 1, the case load had jumped to more than 250,000.

2. Resettlement:

In many instances, the state rehabilitation corporations found that they were "pouring money down a rat-hole", when they made loans to families on poor land. These families rarely could make repayments, and usually came back for more loans. The Federal Emergency Relief Administration decided to try to help such families move to better land, where they would be able to get on their feet again with the help of small loans. As a result the first resettlement projects got under way, under F.E.R.A.

3. Land Purchase:

These resettlement efforts gave encouragement to another idea--that worn-out farm land should be purchased by the Federal Government and converted into better uses, such as forests, game preserves and parks. Consequently a program for purchasing submarginal land was started in 1934, jointly by the F.E.R.A. and the A.A.A.

For 15 years, the Division of Land Economics of the Department of Agriculture had been laying the foundations for such a program. A new study of land problems also was started by the Land Policy Section of A.A.A. Considerable help was given by the National Resources Committee, whose consultants were working out plans for better land use.

C. Subsistence Homesteads:

Early in the depression, many people believed that unemployment could be at least partially solved, if workers could live on small farms near industrial centers, earning part of their living in factories and raising their own food. Consequently, the Division of Subsistence Homesteads was set up in the Department of Interior, with funds appropriated in the National Industrial Recovery Act. This agency started a number of small, part-time farming communities. Most of them were located near existing industrial centers. Others were built in exhausted lumbering or mining areas, where many families had become "stranded" because the industries in which they formerly worked had closed down for good. In the latter instances, it was expected that new industries would move into these communities.

D. Farm Credit Administration:

Thousands of families were losing their land and going on relief

because they were over-burdened with debt, usually incurred at a time when farm prices were higher. In October, 1933, the Farm Credit Administration, at the request of the President, started a Farm Debt Adjustment program, to help such families scale down their obligations. In many states this work was carried on with the help of the Emergency Relief Administration.

III. THE RESETTLEMENT ADMINISTRATION:

On April 30, 1935, the President issued an Executive Order creating the Resettlement Administration, an independent agency combining the efforts of all the agencies mentioned above into one program, designed to rehabilitate both needy families and worn-out land. It had four main divisions:

A. Land Utilization:

In May, 1935, all the people working in the Land Policy Section of A.A.A. and the land program of F.E.R.A. and the regional and state land planning consultants of the National Resources Board were transferred to the Division of Land Utilization of the Resettlement Administration. Regional Resettlement Administration offices were set up—usually in the cities where the regional land policy offices had been located.

Under this program, Resettlement Administration was authorized to buy about 10,000,000 acres of submarginal land and change its use, so that it would produce a more stable income for the nation as a whole. Most of it was converted to pasture, forest, game preserves and parks.

Many families who had been stranded on this land were put to work on land development—planting trees, building dams, constructing roads and similar tasks. The W.P.A. co-operated in handling this employment.

Whenever possible, such families also were helped to get a new start on good farming land.

B. Resettlement Division:

This work of relocation was carried out by the Resettlement Division. It inherited 33 projects started by the Subsistence Homesteads Division of the Department of Interior, and 19 projects started by F.E.R.A. Additional projects were started for families whose farms were purchased by the Land Utilization Division; and still others were begun to demonstrate new types of agricultural organization, or to test various methods of increasing security for tenant families. Altogether, 148 projects were undertaken. All building was under the direct supervision of the Construction Division and virtually all labor was taken from the relief rolls.

Although no two projects are quite alike, all of them may be grouped into four general classifications:

1. Subsistence Homesteads:

   The residents earn part of their income in nearby factories and the rest by part-time farming. At nine projects which were not located near industrial centers, the Resettlement Administration and its successor, the Farm Security Administration, working with the help of co-operative associations, have brought in private industries—working under contracts—such as hosiery mills, clothing factories, a wood-working plant and a tractor factory. These industries are operated by experienced private firms.

2. Community Farming Projects:

   In most cases large acreages of good land were bought, and, after careful topographic and farm management surveys, were subdivided into new farms which were rented or sold to people who settle at the project. In a few cases the farm houses were built in one neighborhood on the land bought, leaving the farm land to be cultivated under some type of co-operative association. Most of these projects have special advantages in schools, stores, processing plants and other co-operative enterprises.

3. Scattered Farms:

   Some projects consist of separate farms, scattered through one or more counties, which have been purchased by the government and rented or sold to needy farm families. Old buildings have been repaired and new buildings have been put up wherever necessary.

4. Migrant Camps:

   During the last ten years, thousands of families—particularly in the so-called "Dust Bowl"—have been forced off the land by drought and wind-storms. In addition, many thousands of tenant families have been pushed off farms because machinery has been substituted for human labor.

   Most of these families are trying to earn a living as wandering farm laborers—usually as harvest hands in the fruit, cotton, truck farming, and beet districts. The greatest numbers have drifted to the West Coast States, the Rio Grande Valley, and certain sections of Florida. Most of them live in make-shift

camps, without sanitary facilities or even a good water supply. Often such camps are a health menace, both to the migrants and to the communities in which they live.

To help remedy this situation, 14 migratory labor camps have been built along the West Coast, and additional camps are planned in other areas. They consist of tent platforms, sanitary facilities, and sometimes a clinic and a school. They are open to all migrant families, so long as there is room for them. Residents contribute a few hours of labor each week to the upkeep of the camp, and pay a small rental.

C. Rehabilitation:

On July 1, 1935, the Resettlement Administration took over the rural rehabilitation program from the F.E.R.A. In the beginning, it was planned to continue this work through the state rehabilitation corporations, but a ruling by the Comptroller General halted this method of operation. As a result it was necessary to set up state R.A. offices, taking over most of the rural rehabilitation corporation personnel. To avoid over-lapping, the state corporations were asked to turn over their management and their assets to R.A.

The rehabilitation loan program expanded rapidly--and for the first time in history, the government was combining credit with training and sound farming methods. Resettlement Administration county officials became supervisors, as well as loan agents, and each standard loan was based on a farm and home management plan.

1. Farm Debt Adjustment:

Many rehabilitation borrowers needed some kind of debt adjustment before satisfactory farm management plans could be worked out. Therefore, on September 1, 1935 the Farm Debt Adjustment work was transferred to R.A. from the Farm Credit Administration.

2. Co-operative and Community Service Loans:

Often a group of low income farmers needs equipment or services which no one of them can afford by himself. In such cases R.A. made a co-operative, or community service, loan to the group. In this way farmers in the same neighborhood could get together to buy a tractor, combine, purebred sires, veterinary services, spraying equipment and many other things which no single farmer could buy alone. Loans also were made to individual farmers to

enable them to take part in existing co-operatives.

3. Co-operative Medical Plans:

Good health is one of the first requirements for successful rehabilitation. Many RA borrowers, however, could not afford adequate medical care, and were in such poor health that they could not repay their loans. In 1936, therefore, RA introduced group medical programs in the Dakotas, where prolonged drought had made the health problem especially serious. On the basis of that experience, somewhat similar county medical groups have been organized in 27 states, in co-operation with the state and local medical societies.

D. Suburban Resettlement Division:

This division was set up to plan and build three "Greenbelt Towns" near Washington, D.C., Cincinnati, Ohio, and Milwaukee, Wisconsin. They gave useful employment for relief workers; and demonstrate a new type of community planning, combining the advantages of rural and city life. These towns provide good housing for more than 2,000 low-income families who earn their living in the nearby cities. Most of the stores, theatres and other enterprises are operated by community co-operatives.

IV. TRANSFERRED TO DEPARTMENT OF AGRICULTURE:

The Resettlement Administration, which had been set up as an independent agency, was made a part of the Department of Agriculture by an Executive Order of the President on December 31,1936.

V. CREATION OF FARM SECURITY ADMINISTRATION:

On September 1, 1937 the Secretary of Agriculture issued a memorandum creating the Farm Security Administration as successor to the Resettlement Administration.

Two major changes were made in the re-organization:

1. The Land Utilization Division was transferred to the Bureau of Agricultural Economics. (A few months later it was again transferred to the Soil Conservation Service.)

2. FSA was assigned a new function -- administration of the Tenant Purchase program, authorized by Title III of the Bankhead-Jones Act, under which tenants, sharecroppers, and farm laborers are loaned money to buy farms of their own.

All the other principal activities of the R.A. were retained by the FSA.

A. Tenant Purchase Program:

The Bankhead-Jones Act authorized a $10,000,000 appropriation for Tenant Purchase during the fiscal year ending June 30, 1938; $25,000,000 for the next fiscal year and $50,000,000 for each year thereafter. This provided for about 1,800 loans during the first year and about 4,500 during the current year. These loans are repayable over a 40 year period at three percent interest. They are made in a limited number of counties, designated by the Secretary of Agriculture on recommendation of State Farm Security Advisory Committees. County committees, consisting of three farmers, pass on the qualifications of applicants and on the farms which they propose to buy.

Wherever necessary TP loans include money for the repair of old buildings or the construction of new ones. The low cost building plans developed under the resettlement program are being used by many tenant purchase borrowers.

Since many thousands of tenants cannot hope to become farm owners in the near future, the Farm Security Administration has developed a Tenure Improvement Program to help them obtain better leasing arrangements.

B. Rehabilitation Program:

The rehabilitation loan program is being carried on by FSA, with increased emphasis on adjustment of group debts, community and co-operative loans, and expansion of the medical program. By January 1, 1939 more than 650,000 farm families had received rehabilitation loans totalling approximately $232,410,369. Already more than $72,000,000 has been repaid.

C. Homestead Projects:

The FSA is completing the projects started by R.A. and its predecessor agencies, but it has no funds for expansion of the resettlement program.

VI. FUNDS:

Money for the tenant purchase program is provided by special appropriation for that purpose. Funds for the rehabilitation and resettlement programs have come mostly from the emergency relief appropriations.

VII. ORGANIZATION OF FSA:

A. County Office:

The "spearhead" of the Farm Security Administration program is the county office, where applications for loans are made, farm and home plans worked out, and the actual work of planning, supervision, debt adjustment, and collection is done. All contact with borrowers ordinarily is made through the county office. There are nearly 2,000 of these offices, each with a county supervisor, and usually a home management supervisor, and a stenographer or clerk, depending on the case load. The supervisors work with the borrowers by going to the farms, where they can actually see the problems each family faces.

B. District Office:

A district supervisor co-ordinates the work in several counties, and works with county personnel on problem cases.

C. State Office:

The State Director, assisted by an Associate State Director in charge of home management, has charge of the work of the district and county supervisors in his state. He also sees to it that the program makes full use of the educational material available from the State Agricultural College, the Experiment Station, and the Agricultural Extension Service. He does a good deal of work in linking the program to that of other agencies in the state.

D. Regional Office:

Each of the twelve regional offices has full charge of the work in several states that have similar farming conditions and problems. A farm management staff and a home management staff work with supervisors in the field and advise the people in immediate charge of the rehabilitation and resettlement programs. All of the fiscal work on making loans is done in the regional office. The various resettlement projects ordinarily report directly to the regional office. Each Regional Director has the services of advisers in Business Management, Labor Relations, Personnel, and Information. His office also has the help of a representative of the Solicitor's Office of the Department of Agriculture on legal problems. The Regional Finance manager reports directly to the Washington Finance Division, but works closely with the Regional Director. The engineering work is done by District Engineers, most of whom are stationed at regional offices.

E. Washington Office:

The Washington office is responsible for making policy, coordinating the work of FSA with other agencies, and performs service functions for the field offices.

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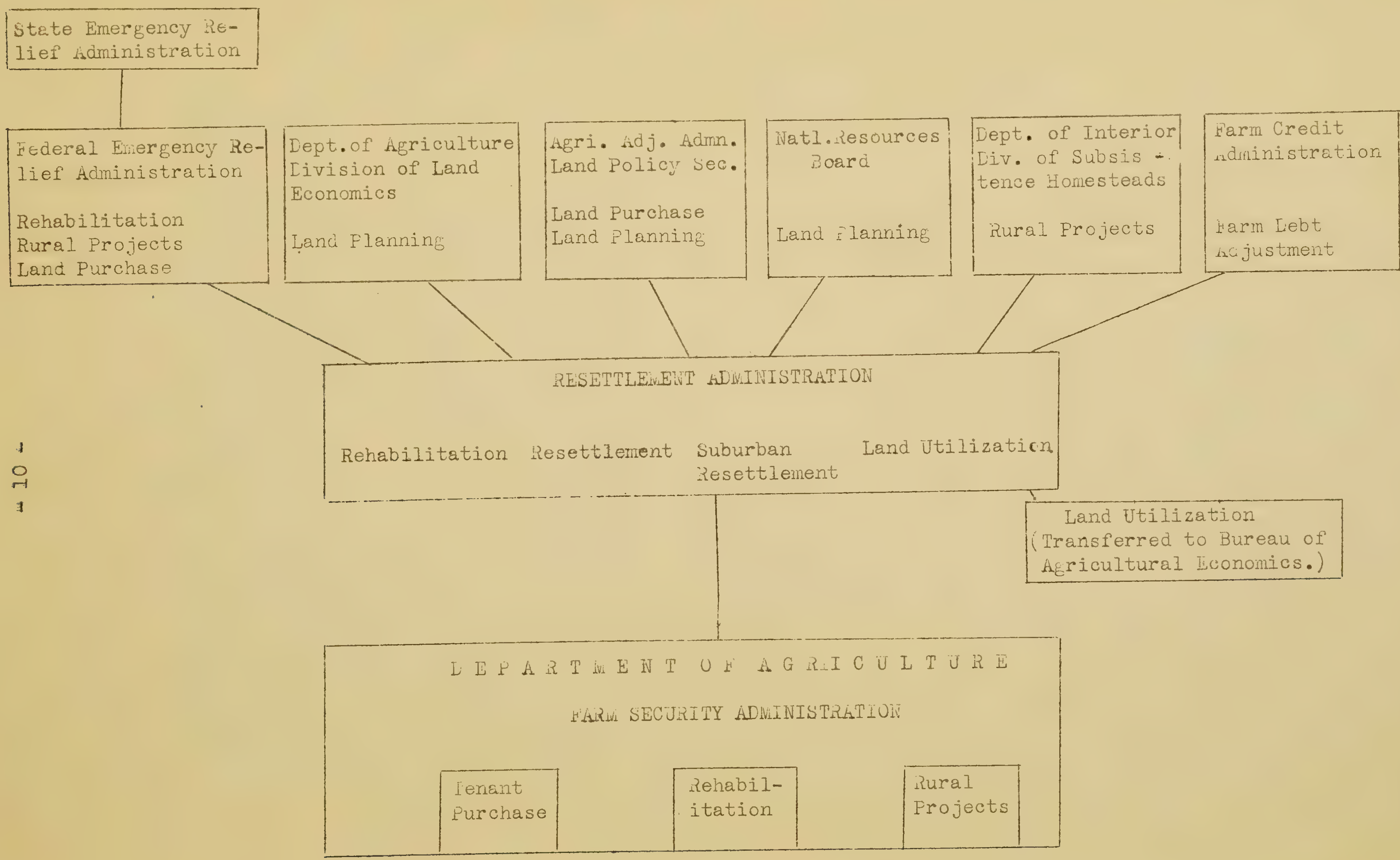
State Emergency Relief Administration
Federal Emergency Relief Administration
Rehabilitation
Rural Projects
Land Purchase
Dept. of Agriculture Division of Land Economics
Land Planning
Agri. Adj. Admn. Land Policy Sec.
Land Purchase
Land Planning
Natl. Resources Board
Land Planning
Dept. of Interior Div. of Subsistence Homesteads
Rural Projects
Farm Credit Administration
Farm Debt Adjustment
RESETTLEMENT ADMINISTRATION
Rehabilitation
Resettlement
Suburban Resettlement
Land Utilization
Land Utilization (Transferred to Bureau of Agricultural Economics.)
DEPARTMENT OF AGRICULTURE
FARM SECURITY ADMINISTRATION
Tenant Purchase
Rehabilitation
Rural Projects

REGION I

Philip Henderson, Regional Supervisor, 1320 G Street N.W. Washington, D.C.
(Administered by Washington office)

States Included: Maine, New Hampshire, Vermont, Rhode Island, Connecticut, New York, Pennsylvania, New Jersey, Delaware, Maryland and Massachusetts.

REGION II

Harry S. Muir, Regional Director, County Courthouse, Milwaukee, Wisconsin.

States Included: Michigan, Wisconsin and Minnesota.

REGION III

R. C. Smith, Regional Director, 342 Massachusetts Ave., Indianapolis, Ind.

States Included: Illinois, Iowa, Indiana, Missouri and Ohio.

REGION IV

H. H. Gordon, Regional Director, Faircloth Building, 227 E. Edenton Street, Raleigh, North Carolina.

States Included: Virginia, West Virginia, Kentucky, Tennessee and North Carolina.

REGION V

Ernest S. Morgan, Regional Director, Bell Building, Montgomery, Alabama.

States Included: South Carolina, Georgia, Florida and Alabama.

REGION VI

T. Roy Reid, Regional Director, Donaghey Trust Building, 7th and Main Streets, Little Rock, Arkansas.

States Included: Arkansas, Mississippi and Louisiana.

REGION VII

Cal A. Ward, Regional Director, Union Terminal Building, Lincoln, Nebr.

States Included: North Dakota, South Dakota, Nebraska and part of Kansas.

REGION VIII

C. M. Evans, Regional Director, 3221 Commerce Street, Dallas, Texas.

States Included: Parts of Oklahoma and Texas.

REGION IX

Jonathan Garst, Regional Director, 227 Wells Fargo Building, San Francisco, California.

States Included: California, Nevada, Utah and Arizona.

REGION X

C. H. Willson, Regional Director, 810 14th Street, Denver, Colorado.

States Included: Montana, Wyoming and part of Colorado.

REGION XI

Walter A. Duffy, Regional Director, Terminal Sales Building, Portland, Ore.

States Included: Washington, Oregon and Idaho.

REGION XII

L. H. Hauter, Regional Director, Amarillo Building, 3rd and Polk Streets, Amarillo, Texas.

States Included: New Mexico and parts of Texas, Colorado, Kansas and Oklahoma.

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